

A RESOLUTION**BY FINANCE EXECUTIVE COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH BOMBARDIER TRANSPORTATION (HOLDINGS) USA INC., PURSUANT TO CITY CODE SECTION 2-1191 (SOLE SOURCE PROCUREMENT), FOR THE OPERATION AND MAINTENANCE OF THE AUTOMATED GUIDEWAY TRANSIT SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT, FOR AN INITIAL TEN (10) YEAR TERM, WITH TWO (2) FIVE (5) YEAR RENEWAL OPTIONS AT THE CITY'S SOLE DISCRETION, IN THE ANNUAL NOT TO EXCEED COMPENSATION AMOUNTS AS SET FORTH IN THIS RESOLUTION; AND FOR OTHER PURPOSES. ALL CONTRACTED WORK SHALL BE CHARGED TO AND PAID FROM FUND, ACCOUNT, AND CENTER NUMBER 2H01 523001 R49001 (AIRPORT REVENUE FUND - SERV/REPAIR/MAINT CONT - AUTOMATED GATEWAY TRANSIT SYSTEM).

WHEREAS, the Automated Guideway Transit System ("AGTS") at Hartsfield-Jackson Atlanta International Airport ("Airport") is a sole source/proprietary system originally designed, fabricated, installed, operated and maintained within the Central Passenger Terminal Complex ("CPTC") under a Contract between the City of Atlanta ("City") and Westinghouse Electric Corporation ("Westinghouse"), dated April 26, 1977; and

WHEREAS, since the initial construction of the AGTS, the City's Bureau of Purchasing and Real Estate n/k/a Department of Procurement has designated Westinghouse and its successors in interest, ABB Daimler-Benz, AdTranz and Bombardier Transportation (Holdings) USA Inc. ("Bombardier") as sole source providers of Operation and Maintenance Services ("O&M Services") for the AGTS, pursuant to City Code Section 2-1191;

WHEREAS, pursuant to such sole source designations, the City has executed O&M Services Contracts with Bombardier and its predecessors in interest dated September 1, 1985, December 20, 1988, March 5, 1996 and May 18, 1998; and

WHEREAS, the most current Contract between the City and Bombardier expired on March 31, 2000, and has continued on a month-to-month basis through June 30, 2005, pursuant to legislation enacted by the City; and

WHEREAS, the Department of Procurement has designated Bombardier to be a sole source provider of O&M Services under a new Contract between the City and Bombardier and the parties have concluded negotiations concerning such new Contract; and

WHEREAS, accordingly, the City has determined that it is desirable and in its best interests to execute with Bombardier a new Contract for O&M Services for an initial ten (10) year term, with two (2) five (5) year renewal options at the City's sole discretion; and

WHEREAS, during the initial ten (10) year term, Bombardier will be compensated in the annual not to exceed amounts shown in Exhibit A attached.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor is authorized to execute, on behalf of the City, a Contract with Bombardier for O&M Services for an initial ten (10) year term, with two (2) five (5) year renewal options at the City's sole discretion.

BE IT FURTHER RESOLVED, that during the initial ten (10) year term, Bombardier will be compensated in the annual not to exceed amounts shown in Exhibit A attached.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare an appropriate Contract for execution by the Mayor.

BE IT FURTHER RESOLVED, that the Contract will not become binding upon the City and it will incur no liability under it until it has been executed by Bombardier and the Mayor, attested to by the Municipal Clerk, approved by the City Attorney as to form and delivered to Bombardier.

EXHIBIT A

**City of Atlanta
Department of Aviation
Hartsfield-Jackson Atlanta International Airport
Operation and Maintenance (O&M) Contract for the
Automated Guideway Transit System (AGTS)
Compensation Table**

	Year 1
Direct Labor (Note 1)	\$ 4,320,417
Labor Burden (Note 2)	1,343,650
Materials / Equipment & Services (Note 3)	2,593,916
Management Fee (Note 4)	1,550,000
Special Projects	250,000
Incentives (Maximum Amount)	193,764
Total Maximum Payment/Reimbursement Amount	<u>\$10,251,747</u>

Notes:

1. No overtime is currently budgeted or planned. Salary increases throughout the contract term will be in accordance to Bombardier's personnel practices.
2. Labor burden based on 31.1% of regular salaries / 16.95% for overtime pay.
3. Materials/Equipment will be escalated in accordance with the Electrical Machinery and Equipment Index (WPI117) and Metal Products Index (PPI 10), as most appropriate for the type of Materials/Equipment, as published by the U.S. Bureau of Labor Statistics. Services to be escalated in accordance with the Consumer Price Index – All Urban Consumers; Series ID CUURA319SA0; Area: Atlanta, GA; All items; 1982-84=100; NSA.
4. Management Fee fixed for initial ten (10) year term of contract, as follows:
 - Year 1 - \$1,550,000
 - Year 2 - \$1,550,000
 - Year 3 - \$1,550,000
 - Year 4 - \$1,600,000
 - Year 5 - \$1,650,000
 - Year 6 - \$1,700,000
 - Year 7 - \$1,750,000
 - Year 8 - \$1,800,000
 - Year 9 - \$1,850,000
 - Year 10 - \$1,910,000

Legislative White Paper

Committee of Purview: FINANCE/EXECUTIVE

Caption

AN ORDINANCE AUTHORIZING THE CITY OF ATLANTA TO WAIVE SECTIONS 2-1189, 2-1193, 2-1205 AND 2-1206 OF ARTICLE X, PROCUREMENT AND REAL ESTATE CODE, OF THE CITY OF ATLANTA CODE OF ORDINANCES, ALLOWING THE CITY TO CONTRACTUALLY OPERATE FOR A PERIOD OF ONE MONTH, COMMENCING ON JULY 1, 2005, AND CONTINUING THROUGH AND INCLUDING JULY 31, 2005, UNDER THE TERMS OF ITS PRIOR EXPIRED CONTRACT WITH BOMBARDIER, INC., DATED EFFECTIVE APRIL 1, 1998, FOR THE CONTINUED OPERATION AND MAINTENANCE OF THE AUTOMATED GUIDEWAY TRANSIT SYSTEM AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT, FOR AN AMOUNT NOT TO EXCEED \$840,450.00 TO BE PAID FROM ACCOUNT NO. 2H01 523001 R49001 (AIRPORT REVENUE FUND, SERV/REPAIR/MAINT CONT., AUTOMATED GUIDEWAY TRANSIT SYSTEM); AND FOR OTHER PURPOSES.

Council Meeting Date: July 5, 2005

Legislation Title: Contract with Bombardier, Inc.

Requesting Dept.: AVIATION

Contract Type: OPERATIONS AND MAINTENANCE CONTRACT

Source Selection: N.A.

Bids/Proposals Due: N.A.

Invitations Issued: N.A.

**Number of Bids/
Proposals Received: N.A.**

Bidders/Proponents: N.A.

Justification Statement:

The Department of Aviation is actively involved in negotiations with Bombardier, Inc. The ultimate conclusion of those negotiations is anticipated to be a replacement contract covering the operation and maintenance of the Automated Guideway Transit System (AGTS) at the Hartsfield-Jackson Atlanta International Airport as it exists today and may exist in the future. The extension of the Contract term is requested by the Department of Aviation to provide an adequate period during which to complete those negotiations. Due to the proprietary nature of the equipment to be maintained and operated, performance of the contracted for operation and maintenance by an alternate provider during this period is impractical and unadvisable.

Background:

The City of Atlanta and Bombardier, Inc. are parties to an Amended and Restated Operations and Maintenance Contract covering the operation and maintenance of the AGTS at the Hartsfield-Jackson Atlanta International Airport, dated May 18, 1998. The contract term commenced April 1, 1998 and expired by its terms on March 31, 2000. Since its expiration, the contract has been continuing on a month-to-month basis.

Fund Account Center: 2H01 523001 R49001

Source of Funds: Airport Operating

Fiscal Impact: \$840,505.00

Term of Contract:

Commences July 1, 2005 and continues thereafter for a period of one month expiring on July 31, 2005

Method of Cost Recovery:

60% to CPTC Air Carriers / 40% City

Approvals:

DOF: Yes

DOL: Yes

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